

NEW APPLICATION  
**ORIGINAL**



BEFORE THE ARIZONA CORPORATION

RECEIVED

**COMMISSIONERS**

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2009 APR 17 P 4:00

AZ CORP COMMISSION  
DOCKET CONTROL

W-02450A-09-0183

IN THE MATTER OF THE APPLICATION OF  
WATER UTILITY OF GREATER TONOPAH,  
INC., FOR FINANCING APPROVAL IN  
CONNECTION WITH THE AMERICAN  
RECOVERY AND REINVESTMENT ACT OF  
2009.

DOCKET NO.: W-20450A-09-  
Arizona Corporation Commission

APPLICATION

**DOCKETED**

APR 17 2009

DOCKETED BY

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**I. Introduction.**

1. Water Utility of Greater Tonopah, Inc. ("WUGT") submits this application for authority under A.R.S. § 40-301 et seq. to borrow \$1,500,000 from the Water Infrastructure Authority of Arizona ("WIFA") in conjunction with the American Recovery and Reinvestment Act of 2009 ("ARRA"), P.L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

2. The purpose of Congress, in enacting the ARRA, was to "preserve and create jobs and promote economic recovery", to "assist those most impacted by the recession" and to "invest in... environmental protection, and other infrastructure that will provide long-term economic benefits." ARRA § 3.

3. As the Commission is aware, Arizona has been deeply impacted by the extraordinary financial and economic situation. Thus, it is critical to move quickly to obtain stimulus funds and to put those funds to work creating jobs and stimulating the economy. The Commission has taken a leading role in promoting access to stimulus funds by public service corporations, and in creating an accelerated process to review and approve ARRA-related financing applications.

4. If the financing is approved, WUGT will use the funds for a SCADA project. The second project is additional SCADA equipment for Santa Cruz's facilities. SCADA systems allow

1 All data requests or other requests for information should be directed to:

2 Michael W. Patten  
3 Timothy J. Sabo  
4 Roshka DeWulf & Patten, PLC  
5 One Arizona Center  
6 400 East Van Buren Street, Suite 800  
7 Phoenix, Arizona 85004

8 With a copy to:

9 Mr. Graham Symmonds  
10 Senior Vice President  
11 Global Water Management  
12 21410 North 19<sup>th</sup> Avenue, Suite 201  
13 Phoenix, Arizona 85027

14 10. A certificate of good standing for WUGT is attached as Exhibit 1.

15 11. WUGT's customers receive water service subject under the rates and charges for  
16 utility service approved by the Commission in Decision No. 62092 (Nov. 19, 1999).

17 12. WUGT currently has a general rate case pending as Docket No. W-02450A-09-  
18 0081.

19 13. WUGT is currently in compliance with all requirements of the Commission, ADEQ  
20 and ADWR.

21 **III. Proposed financing.**

22 14. The proposed loan amount is \$1,500,000. The proposed interest rate is 2.000%.  
23 The lender is WIFA.

24 15. The proposed financing is currently Project No. 24 on the WIFA Drinking Water  
25 Project ARRA Priority List. A copy of the priority list is attached as Exhibit 2. The SCADA  
26 Project is WIFA Project No. DW 200-2009.

27 16. The loan term is anticipated to be 20 years.

**IV. WUGT's Financial Capacity.**

17 17. WUGT's unaudited financial statements for the year ending December 31, 2008 are  
18 attached as Exhibit 3.

1 utilities to maximize efficiency and minimize outages by providing a centralized Operations  
2 Control room from which operators may directly control remote equipment, and have  
3 instantaneous access to current and historic data for trend monitoring and performance assessment.  
4 By allowing equipment to be operated more efficiently, SCADA systems can reduce power usage,  
5 consumable usage, labor requirements and travel requirements, thus benefiting the environment. In  
6 other words, SCADA systems can be considered a "demand side management" or "DSM" tool as  
7 well as a resource conservation tool. In addition, allowing operators to obtain information and  
8 control equipment remotely reduces the need for operators to constantly drive from facility to  
9 facility, thus reducing carbon emissions and fuel usage. Further information about the benefits of  
10 SCADA projects can be found in at pages 19-21 of the Direct Testimony of Graham Symmonds in  
11 Docket No. SW-20445A-09-0077.

12 5. The SCADA project is anticipated to create 12 jobs for 12 months.

13 **II. Information about WUGT.**

14 6. WUGT is an Arizona public service corporation authorized to provide service  
15 within portions of Maricopa County, Arizona. WUGT received its CC&N from the Commission in  
16 numerous decisions, most recently Decision No. 70357 (May 16, 2008).

17 7. WUGT provided service to 365 customers as of March 31, 2009.

18 8. WUGT's management contact is:

19  
20 Mr. Graham Symmonds  
21 Senior Vice President  
22 Global Water Management  
23 21410 North 19<sup>th</sup> Avenue, Suite 201  
24 Phoenix, Arizona 85027

25 9. WUGT's attorneys are:

26 Roshka DeWulf & Patten, PLC  
27 One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004  
(602) 256-6100

18. Attached as Exhibit 4 is a calculation of WUGT's projected TIER and DSC if the proposed financing is approved. The TIER is projected to be (3.04) and the DSC is projected to be 0.47. Exhibit 4 also shows the projected TIER and DSC if WUGT's general rate application is approved. In that case, the TIER is projected to be 9.27, while the DSC is projected to be 5.24. The proposed loan will be financially sound, especially when the Applicant's pending general rate case is considered.

**V. Statutory standards**

19. Under A.R.S. § 40-301.C, the Commission may approve a financing application if it finds that the financing is:

- For lawful purposes which are within the corporate powers of the applicant;
- Compatible with the public interest;
- Compatible with sound financial practices;
- Compatible and with the proper performance by the applicant of service as a public service corporation; and
- That the financing "will not impair its ability to perform" its public service.

20. The proposed financing satisfies these statutory standards. WUGT is an Arizona business corporation, and thus has the power to enter into loans under A.R.S. § 10-302. The financing is in the public interest because it will provide environmental and economic benefits, as described above. The financing is compatible with sound financial practices due to the low interest rate and the projected DSC and TIER considering the proposed rate increase. The projects will increase WUGT's efficiency and capability, and it is therefore compatible with, and will not impair, WUGT's duties as a public service corporation.

21. Under A.R.S. § 40-302.A, except as permitted by the Commission, the purposes of the loan should not be, wholly or in part, reasonably chargeable to operative expenses or to income. WUGT states that the purposes of the loan will not be, wholly or in part, reasonably chargeable to operative expenses or to income.

1 **VI. Notice.**

2 22. Notice consistent with that approved by Staff in recent cases will be published in a  
3 newspaper in circulation in WUGT's service area.

4 22. Proof of publication will be provided when available.  
5

6 WHEREFORE, WUGT requests that the Commission issue an Order:

7 1. Approving this Application;

8 2. Authorizing WUGT to have at any one time outstanding in 2009 or thereafter, long-  
9 term indebtedness (including current maturities thereof) in an aggregate principal amount of  
10 \$1,500,000;

11 3. Permitting through such authorization any redemptions, refinancings, refundings,  
12 renewals, reissuances and rollovers of any such outstanding indebtedness, as well as the incurrence  
13 or issuance of any additional long-term indebtedness, and the amendment or revision of any terms  
14 or provisions of or relating to any long-term indebtedness, so long as total long-term indebtedness  
15 at any one time outstanding does not exceed the levels set forth in 2. above;

16 4. Authorizing the execution, delivery and performance by WUGT of all contracts,  
17 agreements, and other instruments which are incidental to any or all of the foregoing or otherwise  
18 deemed by WUGT to be necessary, desirable or appropriate in connection therewith;

19 5. Ordering that the Order be deemed effective upon issuance; and

20 6. Granting any other relief that the Commission determines to be appropriate and in  
21 the public interest at this time.  
22  
23  
24  
25  
26  
27

1 RESPECTFULLY SUBMITTED this \_\_\_\_\_ day of April 2009

2  
3 ROSHKA, DEWULF & PATTEN

4  
5 By 

6 Michael W. Patten  
7 Timothy J. Sabo  
8 One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, AZ 85004

9 Original and 13 copies of the foregoing  
10 filed this \_\_\_\_\_ day of April 2009 with:

11 Docket Control  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington Street  
Phoenix, AZ 85007

14 Copy of the foregoing hand-delivered/mailed  
15 this \_\_\_\_\_ day of April 2009 to:

16 Lyn Farmer, Esq.  
17 Chief Administrative Law Judge  
Hearing Division  
18 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

19 Janice Alward, Esq.  
20 Chief Counsel, Legal Division  
21 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
22 Phoenix, AZ 85007

23 Ernest G. Johnson, Esq.  
24 Director, Utilities Division  
ARIZONA CORPORATION COMMISSION  
25 1200 West Washington Street  
Phoenix, AZ 85007

26  
27 By \_\_\_\_\_

# EXHIBIT

"1"

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**  
**CERTIFICATE OF GOOD STANDING**

*To all to whom these presents shall come, greeting:*

*I, Michael P. Kearns, Interim Executive Director of the Arizona Corporation Commission, do hereby certify that*

**\*\*\*WATER UTILITY OF GREATER TONOPAH, INC.\*\*\***

*a domestic corporation organized under the laws of the State of Arizona, did incorporate on October 17, 1983.*

*I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.*

*This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.*

**IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 17th Day of April, 2009, A. D.**



  
Interim Executive Director

Order Number: 336537

# EXHIBIT

"2"

**Water Infrastructure Finance Authority**  
**American Reinvestment and Recovery Act of 2009 (ARRA)**

Drinking Water Project Loans Subsidized Under ARRA  
 Prepared Date: 4/17/2009

Note: The projects in the list below will be required to submit a Project Finance Application and will be subject to a full loan analysis which includes verification of legal, managerial, financial and technical capacity. A loan will not be approved if the applicant is unable to meet all loan and ARRA requirements and is unable to meet the construction commencement date provided in the application. As a result of this analysis information and projects on this list may change.

1. Project Priority List - Projects within the ARRA capitalization grant amount: \$55,340,000.00 \*Anticipated twenty (20) year loan term.

Community Name	Project Description	Construction		Est. Jobs	Requested Amount	Type of Financial Assistance	ARRA Funded	WIFA Funded	Adjusted Loan Amount	Combined Interest and Fee Rate (Standard or Reduced)	Green Project	Comments
		Commencement	Completion									
1. Soth Domestic Water Improvement District	Supplemental Water source Interconnect Construction	6/15/2009	6 Months	12	\$800,000.00	Loan/Principal Forgiveness	\$560,000.00	\$240,000.00	\$240,000.00	Standard	No	Under Review
2. Holiday Hills DWID	Holiday Hills Improvement Project	6/15/2009	12 Months	40	\$200,000.00	Loan/Principal Forgiveness	\$140,000.00	\$60,000.00	\$60,000.00	Standard	Yes	Under Review
3. Maricopa Domestic Water Improvement District	Well No.5 Arsenic Treatment System	1/18/2009	12 Months	5	\$928,430.00	Loan/Principal Forgiveness	\$649,901.00	\$278,529.00	\$278,529.00	Standard	No	Under Review
4. Mt. Tipton Water Co. Inc.	Well , Pump and Spring Project	1/28/2009	12 Months	2	\$140,000.00	Loan/Principal Forgiveness	\$126,000.00	\$14,000.00	\$14,000.00	Standard	Yes	Under Review
5. Highland Pines Domestic Water Improvement District	Water Main Replacement Project	6/1/2009		50	\$650,000.00	Loan/Principal Forgiveness	\$520,000.00	\$130,000.00	\$130,000.00	Standard	Yes	Under Review
6. Pineview Water Company	Gravity Flow System Project	7/1/2003	6 Months	5	\$141,988.18	Loan/Principal Forgiveness	\$113,590.54	\$28,398.18	\$28,398.18	Standard	Yes	Under Review
7. Groom Creek Water Users Association	GCWUA Water System Improvements	5/30/2009	24 Months	25	\$1,600,000.00	Loan/Principal Forgiveness	\$800,000.00	\$800,000.00	\$800,000.00	Standard	Yes	Under Review
8. Arizona American Water	Tubac Arsenic Removal	6/15/2009	12 Months	15	\$2,300,000.00	Loan/Principal Forgiveness	\$1,150,000.00	\$1,150,000.00	\$1,150,000.00	Standard	Yes	Under Review
9. Taylor, Town of	Security Fencing of Sweetwater & Hole In The Hill Well	6/15/2009	12 Months	5	\$110,000.00	Loan/Principal Forgiveness	\$44,000.00	\$66,000.00	\$66,000.00	Standard	No	Under Review
10. Rim Trail Domestic Water Improvement District	Rim Trail Surface Water Filtration Plant Replacement and Water Plan	4/17/2009	12 Months	12	\$145,000.00	Loan/Principal Forgiveness	\$116,000.00	\$29,000.00	\$29,000.00	Standard	Yes	Under Review
11. El Minge, City of	Cottonwood Water Line Replacement	5/24/2009	12 Months	8	\$350,000.00	Loan/Principal Forgiveness	\$210,000.00	\$140,000.00	\$140,000.00	Standard	Yes	Under Review
12. Willow Valley Water Company	Meter Replacement Program	5/1/2009	6 Months	2	\$350,000.00	Loan/Principal Forgiveness	\$140,000.00	\$210,000.00	\$210,000.00	Standard	Yes	Under Review
13. Payson, Town of	Payson Cragin Surface Water Project Phase I	3/1/2009	36 Months	100	\$10,585,000.00	Loan/Principal Forgiveness	\$4,000,000.00	\$6,585,000.00	\$6,585,000.00	Standard	Yes	Under Review

Community Name	Project Description	Construction	Est. Jobs	Requested Amount	Type of Financial Assistance	ARRA Funded	WIFIA Funded	Adjusted Loan Amount	Combined Interest and Fee Rate (Standard or Reduced)	Green Project	Comments	
14. Flagstaff, City of	Stimulus - Sinagua Well Connection & Well Building Expansion	6/15/2009	6 Months	30	\$775,000.00	Loan/Principal Forgiveness	\$542,500.00	\$232,500.00	\$232,500.00	Standard	Yes \$542,500.00	Under Review
15. Eloy, City of	Eloy's North Toilee Water Distribution Improvements	6/12/2009		30	\$4,000,000.00	Loan/Principal Forgiveness	\$2,800,000.00	\$1,200,000.00	\$1,200,000.00	Standard	No	Under Review
16. Prescott, City of	Zone 39 Water Mains, Pump Station & Water Tank	4/6/2009	36 Months	200	\$8,998,096.00	Loan/Principal Forgiveness	\$4,000,000.00	\$4,998,096.00	\$4,998,096.00	Standard	Yes \$4,000,000.00	Under Review
17. Prescott, City of	Airport Zone North and South Loops Water Mains	5/15/2009	12 Months	75	\$3,591,880.00	Loan/Principal Forgiveness	\$2,155,128.00	\$1,436,752.00	\$1,436,752.00	Standard	Yes \$2,155,128.00	Under Review
18. Valencia Water Company	Evergreen 2 Well Site Construction	9/1/2008	12 Months	3	\$4,200,000.00	Loan/Principal Forgiveness	\$1,680,000.00	\$2,520,000.00	\$2,520,000.00	Standard	Yes \$1,680,000.00	Under Review
19. Pine Creek Canyon Domestic Water Improvement District	PCCDWID Water Supply Augmentation and Emergency Power	4/17/2009	24 Months	25	\$625,000.00	Loan/Principal Forgiveness	\$312,500.00	\$312,500.00	\$312,500.00	Standard	Yes \$312,500.00	Under Review
20. Tempe Water Utilities Department, City of	Western Canal Water Line	5/1/2009	12 Months	88	\$4,400,000.00	Loan/Principal Forgiveness	\$2,200,000.00	\$2,200,000.00	\$2,200,000.00	Standard	Yes \$2,200,000.00	Under Review
21. Mesa, City of	Redrill Old Downtown Well	6/15/2009	6 Months	20	\$1,000,000.00	Loan/Principal Forgiveness	\$500,000.00	\$500,000.00	\$500,000.00	Standard	Yes \$500,000.00	Under Review
22. Phoenix, City of	Citywide Automatic Meter Reading Installation	6/1/2009	12 Months	10	\$8,000,000.00	Loan/Principal Forgiveness	\$3,200,000.00	\$4,800,000.00	\$4,800,000.00	Standard	Yes \$3,200,000.00	Under Review
23. Sahuarita Water Company, LLC	SWC Arsenic Treatment Plant	5/4/2009	6 Months	20	\$4,700,000.00	Loan/Principal Forgiveness	\$1,880,000.00	\$2,820,000.00	\$2,820,000.00	Standard	No	Under Review
24. Water Utility of Greater Tonopah	Pull SCADA Deployment and Re-Instrumentation	6/1/2009		8	\$1,500,000.00	Loan/Reduced CIPR	\$1,200,000.00	\$300,000.00		2.000%	Yes \$1,200,000.00	Under Review
25. Peoria, City of	24-inch waterlines- Beardsley Road & 91st Avenue	4/30/2009	12 Months	34	\$8,484,203.00	Loan/Reduced CIPR	\$6,787,362.40	\$1,696,840.60		2.000%	No	Under Review
26. El Mirage, City of	Dysart at Thunderbird Water Line Extension	5/24/2009	12 Months	8	\$498,000.00	Loan/Reduced CIPR	\$398,400.00	\$99,600.00		1.500%	Yes \$398,400.00	Under Review
27. Prescott Valley, Town of	Water System Improvements 2.0 Million Gallon Water Storage Tank-Stoneridge	5/1/2009	6 Months	20	\$2,500,000.00	Loan/Reduced CIPR	\$2,000,000.00	\$500,000.00		1.500%	No	Under Review
28. Mesa, City of	Replacement of Aging Water Lines in Downtown Mesa	6/1/2009		35	\$1,430,000.00	Loan/Reduced CIPR	\$1,144,000.00	\$286,000.00		2.000%	Yes \$1,144,000.00	Under Review
29. Tempe Water Utilities Department, City of	J.G. Martinez Water Treatment Plant Upgrades - Gravity Plate Settlers / Gravity Thickeners	4/1/2009	12 Months	262	\$15,090,000.00	Loan/Reduced CIPR	\$12,072,000.00	\$3,018,000.00		2.000%	Yes \$12,072,000.00	Under Review
30. Holbrook, City of	Rehabilitation of 3 water storage tanks	3/1/2009	12 Months	6	\$700,000.00	Loan/Reduced CIPR	\$560,000.00	\$140,000.00		1.500%	No	Under Review
31. Santa Cruz Water Company	Solar	5/15/2009	12 Months	4	\$3,500,000.00	Loan/Reduced CIPR	\$2,800,000.00	\$700,000.00		2.000%	Yes \$2,800,000.00	Under Review
32. Phoenix, City of	Water Main Replacement Hope VI Project Area	3/30/2009	12 Months	17	\$2,000,000.00	Loan/Reduced CIPR	\$1,600,000.00	\$400,000.00		2.000%	Yes \$1,600,000.00	Under Review
TOTALS					\$94,292,597.18		\$56,401,381.94	\$37,891,215.00	\$30,750,775.00		\$40,040,118.00	

# EXHIBIT

"3"

**Water Utility of Greater Tonopah**

## Balance Sheet

Year Ending December 31, 2008

	Current Year Ended 12/31/2008	Prior Year Ended 12/31/2007
<b>Assets</b>		
131 Cash and cash equivalents	\$ (120)	\$ 73
132 Special Deposits	27,247	17,558
141 Customer Accounts Receivable	15,587	15,344
142 Other Accounts Receivable	-	96
143 Accumulated Provision for Uncollectible Accounts	(3,385)	(298)
145 Accounts Receivable from Associated Companies	-	5,646
162 Prepayments	7,558	6,570
173 Accrued utility revenue	3,380	4,315
Total Current Assets	\$ 50,267	\$ 49,304
Total Utility Plant in Service	\$ 4,764,594	\$ 4,101,915
105 Construction work-in-progress	422,507	71,154
108 Less: Accumulated Depreciation	(952,272)	(747,674)
Total Fixed Assets (Net)	\$ 4,234,829	\$ 3,425,395
Deferred Debits		
114 Utility Plant Acquisition Adjustments	\$ 31,701,304	\$ 31,701,304
190 Accumulated Deferred Income Taxes	107,655	94,544
Total other assets	\$ 31,808,959	\$ 31,795,848
Total Assets	\$ 36,094,055	\$ 35,270,547
<b>Liabilities and Stockholders' Equity</b>		
231 Accounts payable	\$ 67,536	\$ 169,919
232 Notes Payable	21,392	11,472
233 Accounts Payable to Associated Companies	-	-
235 Customer Deposits	11,537	10,270
236 Accrued Taxes	(29,608)	2,407
237 Accrued Interest	3,049	1,617
241 Miscellaneous Current and Accrued Liabilities	67,907	144,007
253 Other Deferred Credits	2,210	5,629
Total Current Liabilities	\$ 144,023	\$ 345,321
224 Other Long-Term Debt	\$ 487,962	\$ 255,930
252 Advances for Construction	\$ 1,244,686	\$ 1,237,548
271 Contributions in Aid of Construction	73,118	73,118
272 Accumulated Amortization of CIAC	(8,130)	(5,937)
Total Deferred Credits and Other Liabilities	\$ 1,309,674	\$ 1,304,729
Total Liabilities and Deferred Credits	\$ 1,941,659	\$ 1,905,980
211 Othe Paid-In Capital	\$ 34,362,568	\$ 33,452,020
215 Unappropriated Retained Earnings	(210,172)	(87,453)
Total Members' Equity	\$ 34,152,396	\$ 33,364,567
Total Liabilities and Stockholders' Equity	\$ 36,094,055	\$ 35,270,547

**Water Utility of Greater Tonopah**  
Income Statement  
Year Ending December 31, 2008

	Current Year Ended 12/31/2008	Prior Year Ended 12/31/2007
<b>Operating Revenues</b>		
461 Metered Water Revenue	\$ 231,535	\$ 207,486
465 Sales to Irrigation Customers	40,217	46,583
471 Miscellaneous Service Revenues	9,103	9,609
472 Rents from Water Property	-	-
474 Other Water Revenues	-	-
Total Operating Revenues	<u>\$ 280,855</u>	<u>\$ 263,678</u>
<b>Operating Expenses</b>		
601 Salary and Wages - Employees	\$ 49,891	\$ -
604 Employee Pensions and Benefits	10,653	-
610 Purchased Water		1,344
615 Purchased Power	17,080	18,845
616 Fuel for Power Production		117
618 Chemicals	34,032	2,866
620 Materials and Supplies	12,609	28,005
620.08 Materials and Supplies	10,265	-
634 Contractual Services - Management Fees	185	132,720
635 Contractual Services - Testing	11,006	7,100
636 Contractual Services - Other	34,494	35,877
641 Rental of Building/Real Property	2,075	-
642 Rental of Equipment	732	3,995
650 Transportation Expenses	6,867	-
657 Insurance - General Liability	1,167	-
659 Insurance - Other	213	-
660 Advertising Expense	17	-
667 Rate Case Expense	-	-
670 Bad Debt Expense	3,951	304
675 Miscellaneous Expenses	4,395	9,133
403 Depreciation Expense	202,404	118,368
408.10 Taxes Other Than Income - Util Reg Assess Fee	8,614	657
408.11 Taxes Other Than Income - Property Taxes	7,143	5,554
408.13 Taxes Other Than Income - Other Taxes and Licenses	344	
409 Income Taxes	(32,068)	(46,113)
Total Operating Expenses	<u>\$ 386,069</u>	<u>\$ 318,772</u>
Operating Income / (Loss)	<u>\$ (105,214)</u>	<u>\$ (55,094)</u>
<b>OTHER INCOME / (EXPENSE)</b>		
414 Gains (Losses) from Disposition of Utility Property		\$ (914)
419 Interest and Dividend Income	3	
427 Interest Expense	(17,506)	(17,343)
Total Other Income / (Expense)	<u>\$ (17,503)</u>	<u>\$ (18,257)</u>
NET INCOME / (LOSS)	<u>\$ (122,717)</u>	<u>\$ (73,351)</u>

**Water Utility of Greater Tonopah**  
Income Statement - Proposed Rates  
Year Ending December 31, 2008

	Adjusted With Rate Increase
<b>Revenues</b>	
Metered Water Sales	\$ 921,505
Water Sales - Unmetered	-
Other Operating Revenue	14,978
Total Operating Revenues	<u>\$ 936,483</u>
<b>Operating Expenses</b>	
601 Salary and Wages - Employees	\$ 48,385
604 Employee Pensions and Benefits	10,309
610 Purchased Water	-
615 Purchased Power	16,192
616 Fuel for Power Production	-
618 Chemicals	31,128
620 Materials and Supplies	12,609
620.08 Materials and Supplies	10,278
635 Contractual Services - Testing	11,006
636 Contractual Services - Other	34,683
641 Rental of Building/Real Property	2,075
642 Rental of Equipment	732
650 Transportation Expenses	6,965
657 Insurance - General Liability	1,167
659 Insurance - Other	216
660 Advertising Expense	-
667 Rate Case Expense	1,333
670 Bad Debt Expense	9,365
675 Miscellaneous Expenses	4,474
403 Depreciation Expense	307,538
408 Taxes Other Than Income	8,614
408.11 Taxes Other Than Income - Property Taxes	-
408.13 Taxes Other Than Income - Other Taxes and Licenses	344
409 Income Taxes	160,802
Total Operating Expenses	<u>\$ 678,216</u>
Utility Operating Income (Loss)	\$ 258,267
414 Gains (Losses) from Disp of Util Prop	\$ -
419 Interest and Dividend Income	3
427 Interest Expense	(17,506)
Total Other Income and Deductions	<u>\$ (17,503)</u>
Net Income (Loss)	<u><u>\$ 240,764</u></u>

# EXHIBIT

"4"

**Water Utility of Greater Tonopah****Debt Ratios**

Year Ending December 31, 2008

		12/31/2008	Pro Forma	Pro Forma With Proposed Rate Increase
1	Operating Income	\$ (105,214)	\$ (105,214)	\$ 258,267
2	Depreciation & Amortization	\$ 202,404	\$ 202,404	\$ 307,538
3	Income Tax Expense	\$ (32,068)	\$ (32,068)	\$ 160,802
4	Interest Expense	\$ 15,774	\$ 45,212	\$ 45,212
5	Repayment of Principal	\$ 37,123	\$ 93,563	\$ 93,563
TIER [1 + 3] / [4]		(8.70)	(3.04)	9.27
DSC [1 + 2 + 3] / [4 + 5]		1.23	0.47	5.24

**Water Utility of Greater Tonopah**  
**Estimated Debt Payment Schedule**

Principle     \$     1,500,000  
Interest             2.00%  
Period                 20

Period	Principal	Interest	Principal	Total Payment	
1	\$ 1,500,000.00	\$ 2,500.00	\$ 5,088.25	\$7,588.25	\$ 1,494,911.75
2	1,494,911.75	2,491.52	5,096.73	7,588.25	1,489,815.02
3	1,489,815.02	2,483.03	5,105.22	7,588.25	1,484,709.79
4	1,484,709.79	2,474.52	5,113.73	7,588.25	1,479,596.06
5	1,479,596.06	2,465.99	5,122.26	7,588.25	1,474,473.80
6	1,474,473.80	2,457.46	5,130.79	7,588.25	1,469,343.01
7	1,469,343.01	2,448.91	5,139.35	7,588.25	1,464,203.67
8	1,464,203.67	2,440.34	5,147.91	7,588.25	1,459,055.75
9	1,459,055.75	2,431.76	5,156.49	7,588.25	1,453,899.26
10	1,453,899.26	2,423.17	5,165.08	7,588.25	1,448,734.18
11	1,448,734.18	2,414.56	5,173.69	7,588.25	1,443,560.49
12	1,443,560.49	2,405.93	5,182.32	7,588.25	1,438,378.17
13	1,438,378.17	2,397.30	5,190.95	7,588.25	1,433,187.22
14	1,433,187.22	2,388.65	5,199.60	7,588.25	1,427,987.61
15	1,427,987.61	2,379.98	5,208.27	7,588.25	1,422,779.34
16	1,422,779.34	2,371.30	5,216.95	7,588.25	1,417,562.39
17	1,417,562.39	2,362.60	5,225.65	7,588.25	1,412,336.75
18	1,412,336.75	2,353.89	5,234.36	7,588.25	1,407,102.39
19	1,407,102.39	2,345.17	5,243.08	7,588.25	1,401,859.31
20	1,401,859.31	2,336.43	5,251.82	7,588.25	1,396,607.49
21	1,396,607.49	2,327.68	5,260.57	7,588.25	1,391,346.92
22	1,391,346.92	2,318.91	5,269.34	7,588.25	1,386,077.58
23	1,386,077.58	2,310.13	5,278.12	7,588.25	1,380,799.46
24	1,380,799.46	2,301.33	5,286.92	7,588.25	1,375,512.55
25	1,375,512.55	2,292.52	5,295.73	7,588.25	1,370,216.82
26	1,370,216.82	2,283.69	5,304.56	7,588.25	1,364,912.26
27	1,364,912.26	2,274.85	5,313.40	7,588.25	1,359,598.86
28	1,359,598.86	2,266.00	5,322.25	7,588.25	1,354,276.61
29	1,354,276.61	2,257.13	5,331.12	7,588.25	1,348,945.49
30	1,348,945.49	2,248.24	5,340.01	7,588.25	1,343,605.48
31	1,343,605.48	2,239.34	5,348.91	7,588.25	1,338,256.58
32	1,338,256.58	2,230.43	5,357.82	7,588.25	1,332,898.75
33	1,332,898.75	2,221.50	5,366.75	7,588.25	1,327,532.00
34	1,327,532.00	2,212.55	5,375.70	7,588.25	1,322,156.30
35	1,322,156.30	2,203.59	5,384.66	7,588.25	1,316,771.65
36	1,316,771.65	2,194.62	5,393.63	7,588.25	1,311,378.02
37	1,311,378.02	2,185.63	5,402.62	7,588.25	1,305,975.40
38	1,305,975.40	2,176.63	5,411.62	7,588.25	1,300,563.77
39	1,300,563.77	2,167.61	5,420.64	7,588.25	1,295,143.13
40	1,295,143.13	2,158.57	5,429.68	7,588.25	1,289,713.45
41	1,289,713.45	2,149.52	5,438.73	7,588.25	1,284,274.72
42	1,284,274.72	2,140.46	5,447.79	7,588.25	1,278,826.93
43	1,278,826.93	2,131.38	5,456.87	7,588.25	1,273,370.06
44	1,273,370.06	2,122.28	5,465.97	7,588.25	1,267,904.09

45	1,267,904.09	2,113.17	5,475.08	7,588.25	1,262,429.02
46	1,262,429.02	2,104.05	5,484.20	7,588.25	1,256,944.81
47	1,256,944.81	2,094.91	5,493.34	7,588.25	1,251,451.47
48	1,251,451.47	2,085.75	5,502.50	7,588.25	1,245,948.97
49	1,245,948.97	2,076.58	5,511.67	7,588.25	1,240,437.31
50	1,240,437.31	2,067.40	5,520.85	7,588.25	1,234,916.45
51	1,234,916.45	2,058.19	5,530.06	7,588.25	1,229,386.40
52	1,229,386.40	2,048.98	5,539.27	7,588.25	1,223,847.12
53	1,223,847.12	2,039.75	5,548.50	7,588.25	1,218,298.62
54	1,218,298.62	2,030.50	5,557.75	7,588.25	1,212,740.87
55	1,212,740.87	2,021.23	5,567.02	7,588.25	1,207,173.85
56	1,207,173.85	2,011.96	5,576.29	7,588.25	1,201,597.56
57	1,201,597.56	2,002.66	5,585.59	7,588.25	1,196,011.97
58	1,196,011.97	1,993.35	5,594.90	7,588.25	1,190,417.07
59	1,190,417.07	1,984.03	5,604.22	7,588.25	1,184,812.85
60	1,184,812.85	1,974.69	5,613.56	7,588.25	1,179,199.29
61	1,179,199.29	1,965.33	5,622.92	7,588.25	1,173,576.37
62	1,173,576.37	1,955.96	5,632.29	7,588.25	1,167,944.08
63	1,167,944.08	1,946.57	5,641.68	7,588.25	1,162,302.41
64	1,162,302.41	1,937.17	5,651.08	7,588.25	1,156,651.33
65	1,156,651.33	1,927.75	5,660.50	7,588.25	1,150,990.83
66	1,150,990.83	1,918.32	5,669.93	7,588.25	1,145,320.90
67	1,145,320.90	1,908.87	5,679.38	7,588.25	1,139,641.51
68	1,139,641.51	1,899.40	5,688.85	7,588.25	1,133,952.67
69	1,133,952.67	1,889.92	5,698.33	7,588.25	1,128,254.34
70	1,128,254.34	1,880.42	5,707.83	7,588.25	1,122,546.51
71	1,122,546.51	1,870.91	5,717.34	7,588.25	1,116,829.17
72	1,116,829.17	1,861.38	5,726.87	7,588.25	1,111,102.30
73	1,111,102.30	1,851.84	5,736.41	7,588.25	1,105,365.89
74	1,105,365.89	1,842.28	5,745.97	7,588.25	1,099,619.92
75	1,099,619.92	1,832.70	5,755.55	7,588.25	1,093,864.37
76	1,093,864.37	1,823.11	5,765.14	7,588.25	1,088,099.23
77	1,088,099.23	1,813.50	5,774.75	7,588.25	1,082,324.47
78	1,082,324.47	1,803.87	5,784.38	7,588.25	1,076,540.10
79	1,076,540.10	1,794.23	5,794.02	7,588.25	1,070,746.08
80	1,070,746.08	1,784.58	5,803.67	7,588.25	1,064,942.41
81	1,064,942.41	1,774.90	5,813.35	7,588.25	1,059,129.06
82	1,059,129.06	1,765.22	5,823.03	7,588.25	1,053,306.03
83	1,053,306.03	1,755.51	5,832.74	7,588.25	1,047,473.29
84	1,047,473.29	1,745.79	5,842.46	7,588.25	1,041,630.83
85	1,041,630.83	1,736.05	5,852.20	7,588.25	1,035,778.63
86	1,035,778.63	1,726.30	5,861.95	7,588.25	1,029,916.68
87	1,029,916.68	1,716.53	5,871.72	7,588.25	1,024,044.95
88	1,024,044.95	1,706.74	5,881.51	7,588.25	1,018,163.44
89	1,018,163.44	1,696.94	5,891.31	7,588.25	1,012,272.13
90	1,012,272.13	1,687.12	5,901.13	7,588.25	1,006,371.00
91	1,006,371.00	1,677.29	5,910.97	7,588.25	1,000,460.04
92	1,000,460.04	1,667.43	5,920.82	7,588.25	994,539.22
93	994,539.22	1,657.57	5,930.68	7,588.25	988,608.54
94	988,608.54	1,647.68	5,940.57	7,588.25	982,667.97
95	982,667.97	1,637.78	5,950.47	7,588.25	976,717.50
96	976,717.50	1,627.86	5,960.39	7,588.25	970,757.11
97	970,757.11	1,617.93	5,970.32	7,588.25	964,786.79
98	964,786.79	1,607.98	5,980.27	7,588.25	958,806.52
99	958,806.52	1,598.01	5,990.24	7,588.25	952,816.28

100	952,816.28	1,588.03	6,000.22	7,588.25	946,816.06
101	946,816.06	1,578.03	6,010.22	7,588.25	940,805.83
102	940,805.83	1,568.01	6,020.24	7,588.25	934,785.59
103	934,785.59	1,557.98	6,030.27	7,588.25	928,755.32
104	928,755.32	1,547.93	6,040.32	7,588.25	922,714.99
105	922,714.99	1,537.86	6,050.39	7,588.25	916,664.60
106	916,664.60	1,527.77	6,060.48	7,588.25	910,604.13
107	910,604.13	1,517.67	6,070.58	7,588.25	904,533.55
108	904,533.55	1,507.56	6,080.69	7,588.25	898,452.86
109	898,452.86	1,497.42	6,090.83	7,588.25	892,362.03
110	892,362.03	1,487.27	6,100.98	7,588.25	886,261.05
111	886,261.05	1,477.10	6,111.15	7,588.25	880,149.90
112	880,149.90	1,466.92	6,121.33	7,588.25	874,028.57
113	874,028.57	1,456.71	6,131.54	7,588.25	867,897.03
114	867,897.03	1,446.50	6,141.75	7,588.25	861,755.27
115	861,755.27	1,436.26	6,151.99	7,588.25	855,603.28
116	855,603.28	1,426.01	6,162.24	7,588.25	849,441.04
117	849,441.04	1,415.74	6,172.51	7,588.25	843,268.52
118	843,268.52	1,405.45	6,182.80	7,588.25	837,085.72
119	837,085.72	1,395.14	6,193.11	7,588.25	830,892.61
120	830,892.61	1,384.82	6,203.43	7,588.25	824,689.18
121	824,689.18	1,374.48	6,213.77	7,588.25	818,475.42
122	818,475.42	1,364.13	6,224.12	7,588.25	812,251.29
123	812,251.29	1,353.75	6,234.50	7,588.25	806,016.79
124	806,016.79	1,343.36	6,244.89	7,588.25	799,771.91
125	799,771.91	1,332.95	6,255.30	7,588.25	793,516.61
126	793,516.61	1,322.53	6,265.72	7,588.25	787,250.89
127	787,250.89	1,312.08	6,276.17	7,588.25	780,974.72
128	780,974.72	1,301.62	6,286.63	7,588.25	774,688.10
129	774,688.10	1,291.15	6,297.10	7,588.25	768,390.99
130	768,390.99	1,280.65	6,307.60	7,588.25	762,083.39
131	762,083.39	1,270.14	6,318.11	7,588.25	755,765.28
132	755,765.28	1,259.61	6,328.64	7,588.25	749,436.64
133	749,436.64	1,249.06	6,339.19	7,588.25	743,097.45
134	743,097.45	1,238.50	6,349.75	7,588.25	736,747.70
135	736,747.70	1,227.91	6,360.34	7,588.25	730,387.36
136	730,387.36	1,217.31	6,370.94	7,588.25	724,016.42
137	724,016.42	1,206.69	6,381.56	7,588.25	717,634.87
138	717,634.87	1,196.06	6,392.19	7,588.25	711,242.68
139	711,242.68	1,185.40	6,402.85	7,588.25	704,839.83
140	704,839.83	1,174.73	6,413.52	7,588.25	698,426.31
141	698,426.31	1,164.04	6,424.21	7,588.25	692,002.11
142	692,002.11	1,153.34	6,434.91	7,588.25	685,567.19
143	685,567.19	1,142.61	6,445.64	7,588.25	679,121.56
144	679,121.56	1,131.87	6,456.38	7,588.25	672,665.18
145	672,665.18	1,121.11	6,467.14	7,588.25	666,198.03
146	666,198.03	1,110.33	6,477.92	7,588.25	659,720.11
147	659,720.11	1,099.53	6,488.72	7,588.25	653,231.40
148	653,231.40	1,088.72	6,499.53	7,588.25	646,731.87
149	646,731.87	1,077.89	6,510.36	7,588.25	640,221.50
150	640,221.50	1,067.04	6,521.21	7,588.25	633,700.29
151	633,700.29	1,056.17	6,532.08	7,588.25	627,168.21
152	627,168.21	1,045.28	6,542.97	7,588.25	620,625.24
153	620,625.24	1,034.38	6,553.87	7,588.25	614,071.36
154	614,071.36	1,023.45	6,564.80	7,588.25	607,506.56

155	607,506.56	1,012.51	6,575.74	7,588.25	600,930.82
156	600,930.82	1,001.55	6,586.70	7,588.25	594,344.13
157	594,344.13	990.57	6,597.68	7,588.25	587,746.45
158	587,746.45	979.58	6,608.67	7,588.25	581,137.78
159	581,137.78	968.56	6,619.69	7,588.25	574,518.09
160	574,518.09	957.53	6,630.72	7,588.25	567,887.37
161	567,887.37	946.48	6,641.77	7,588.25	561,245.60
162	561,245.60	935.41	6,652.84	7,588.25	554,592.76
163	554,592.76	924.32	6,663.93	7,588.25	547,928.83
164	547,928.83	913.21	6,675.04	7,588.25	541,253.79
165	541,253.79	902.09	6,686.16	7,588.25	534,567.63
166	534,567.63	890.95	6,697.30	7,588.25	527,870.33
167	527,870.33	879.78	6,708.47	7,588.25	521,161.86
168	521,161.86	868.60	6,719.65	7,588.25	514,442.22
169	514,442.22	857.40	6,730.85	7,588.25	507,711.37
170	507,711.37	846.19	6,742.06	7,588.25	500,969.31
171	500,969.31	834.95	6,753.30	7,588.25	494,216.01
172	494,216.01	823.69	6,764.56	7,588.25	487,451.45
173	487,451.45	812.42	6,775.83	7,588.25	480,675.62
174	480,675.62	801.13	6,787.12	7,588.25	473,888.49
175	473,888.49	789.81	6,798.44	7,588.25	467,090.06
176	467,090.06	778.48	6,809.77	7,588.25	460,280.29
177	460,280.29	767.13	6,821.12	7,588.25	453,459.17
178	453,459.17	755.77	6,832.48	7,588.25	446,626.69
179	446,626.69	744.38	6,843.87	7,588.25	439,782.82
180	439,782.82	732.97	6,855.28	7,588.25	432,927.54
181	432,927.54	721.55	6,866.70	7,588.25	426,060.83
182	426,060.83	710.10	6,878.15	7,588.25	419,182.69
183	419,182.69	698.64	6,889.61	7,588.25	412,293.07
184	412,293.07	687.16	6,901.09	7,588.25	405,391.98
185	405,391.98	675.65	6,912.60	7,588.25	398,479.38
186	398,479.38	664.13	6,924.12	7,588.25	391,555.26
187	391,555.26	652.59	6,935.66	7,588.25	384,619.61
188	384,619.61	641.03	6,947.22	7,588.25	377,672.39
189	377,672.39	629.45	6,958.80	7,588.25	370,713.59
190	370,713.59	617.86	6,970.39	7,588.25	363,743.20
191	363,743.20	606.24	6,982.01	7,588.25	356,761.19
192	356,761.19	594.60	6,993.65	7,588.25	349,767.54
193	349,767.54	582.95	7,005.30	7,588.25	342,762.24
194	342,762.24	571.27	7,016.98	7,588.25	335,745.26
195	335,745.26	559.58	7,028.67	7,588.25	328,716.58
196	328,716.58	547.86	7,040.39	7,588.25	321,676.19
197	321,676.19	536.13	7,052.12	7,588.25	314,624.07
198	314,624.07	524.37	7,063.88	7,588.25	307,560.19
199	307,560.19	512.60	7,075.65	7,588.25	300,484.54
200	300,484.54	500.81	7,087.44	7,588.25	293,397.10
201	293,397.10	489.00	7,099.25	7,588.25	286,297.85
202	286,297.85	477.16	7,111.09	7,588.25	279,186.76
203	279,186.76	465.31	7,122.94	7,588.25	272,063.82
204	272,063.82	453.44	7,134.81	7,588.25	264,929.01
205	264,929.01	441.55	7,146.70	7,588.25	257,782.31
206	257,782.31	429.64	7,158.61	7,588.25	250,623.70
207	250,623.70	417.71	7,170.54	7,588.25	243,453.15
208	243,453.15	405.76	7,182.49	7,588.25	236,270.66
209	236,270.66	393.78	7,194.47	7,588.25	229,076.19

210	229,076.19	381.79	7,206.46	7,588.25	221,869.73
211	221,869.73	369.78	7,218.47	7,588.25	214,651.27
212	214,651.27	357.75	7,230.50	7,588.25	207,420.77
213	207,420.77	345.70	7,242.55	7,588.25	200,178.22
214	200,178.22	333.63	7,254.62	7,588.25	192,923.60
215	192,923.60	321.54	7,266.71	7,588.25	185,656.89
216	185,656.89	309.43	7,278.82	7,588.25	178,378.07
217	178,378.07	297.30	7,290.95	7,588.25	171,087.12
218	171,087.12	285.15	7,303.10	7,588.25	163,784.01
219	163,784.01	272.97	7,315.28	7,588.25	156,468.73
220	156,468.73	260.78	7,327.47	7,588.25	149,141.27
221	149,141.27	248.57	7,339.68	7,588.25	141,801.58
222	141,801.58	236.34	7,351.91	7,588.25	134,449.67
223	134,449.67	224.08	7,364.17	7,588.25	127,085.50
224	127,085.50	211.81	7,376.44	7,588.25	119,709.06
225	119,709.06	199.52	7,388.73	7,588.25	112,320.33
226	112,320.33	187.20	7,401.05	7,588.25	104,919.28
227	104,919.28	174.87	7,413.38	7,588.25	97,505.89
228	97,505.89	162.51	7,425.74	7,588.25	90,080.15
229	90,080.15	150.13	7,438.12	7,588.25	82,642.04
230	82,642.04	137.74	7,450.51	7,588.25	75,191.52
231	75,191.52	125.32	7,462.93	7,588.25	67,728.59
232	67,728.59	112.88	7,475.37	7,588.25	60,253.22
233	60,253.22	100.42	7,487.83	7,588.25	52,765.40
234	52,765.40	87.94	7,500.31	7,588.25	45,265.09
235	45,265.09	75.44	7,512.81	7,588.25	37,752.28
236	37,752.28	62.92	7,525.33	7,588.25	30,226.95
237	30,226.95	50.38	7,537.87	7,588.25	22,689.08
238	22,689.08	37.82	7,550.43	7,588.25	15,138.64
239	15,138.64	25.23	7,563.02	7,588.25	7,575.62
240	7,575.62	12.63	7,575.62	7,588.25	0.00